

I am unable to approve Section 24, subsection 1, unnumbered paragraph 3 in its entirety.

This proposed language places the responsibility of paying county expenses in the budget of the Secretary of State without adding any additional funding. The Marshall county auditor's office chose to participate in the elections reform task force with the knowledge that the State would not be able to assume the costs of their participation. If the Legislature believed this to be a wise expenditure of funds they should have created a specific appropriation for this purpose rather than forcing the Secretary of State to direct limited funds away from other purposes such as statewide election activities.

For the above reason, I hereby respectfully approve Senate File 531 with the exception noted above.

Sincerely,
THOMAS J. VILSACK, *Governor*

CHAPTER 188
APPROPRIATIONS — ECONOMIC DEVELOPMENT
H.F. 718

AN ACT appropriating funds to the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board, making related statutory changes, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. ADMINISTRATIVE SERVICES DIVISION
 - a. General administration

For salaries, support, maintenance, miscellaneous purposes, for allocating \$285,000 to the world food prize, and for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants who are qualified for the jobs created, and for not more than the following full-time equivalent positions:

.....	\$	1,699,126
.....	FTEs	25.75

Of the moneys allocated for the world food prize, \$50,000 shall be allocated for purposes of the world food prize youth institute.

- b. Film office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	245,003
.....	FTEs	2.00

- c. Iowa commission on volunteerism

For transferring to the Iowa state commission grant program to be used as matching

funds for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	75,200
.....	FTEs	3.25

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,437,342
.....	FTEs	27.75

Of the amount appropriated in this paragraph "a", \$400,000 shall be allocated to support activities in conjunction with the Iowa manufacturing technology center, and \$94,000 shall be allocated to the graphic arts center.

The department shall consult and work with the small business development centers in an effort to eliminate any duplication of services provided by the department and the small business development centers and to determine how to deliver services to small businesses in the state in the most efficient manner.

For the fiscal year beginning July 1, 2001, and ending June 30, 2002, the department shall allocate \$94,000 from the moneys appropriated under this subsection for the federal procurement office.

b. Workforce recruitment initiative

For workforce recruitment initiative purposes, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	377,156
.....	FTEs	2.00

c. Strategic investment fund

For deposit in the Iowa strategic investment fund for salaries, support, and for not more than the following full-time equivalent positions:

.....	\$	3,503,826
.....	FTEs	12.50

The department may allocate from the Iowa strategic investment fund up to \$90,240 for the microbusiness rural enterprise assistance program under section 15.114.

By January 14, 2002, the department shall submit a written report to the members of the joint appropriations subcommittee on economic development and the legislative fiscal bureau on the progress made by the department in making the community economic betterment program a self-sustaining, revolving loan program. The report shall include information regarding the department's progress in making the community economic betterment program self-sufficient and projections and plans for continuing to make the program self-sufficient over the subsequent five years.

d. Insurance economic development

There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

.....	\$	100,000
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e. Value-added agriculture

For deposit in the value-added agricultural products and processes financial assistance fund:

.....	\$	2,850,000
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There is appropriated from the moneys available to support value-added agricultural products and processes, 6 percent, or so much thereof as is necessary, for administration of the value-added agricultural products and processes financial assistance program as provided

in section 15E.111, including salaries, support, maintenance, miscellaneous purposes, and for not more than 3.00 FTEs.

The department shall collaborate with the university of northern Iowa on a strategic initiative to develop ag-based industrial lubrication technology and to create projects to deploy the technology in commercial applications. Notwithstanding the requirements of section 15E.111 and the administrative rules for value-added agricultural products and processes, the department shall allocate \$258,500 for this initiative.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

.....	\$	772,516
.....	FTEs	10.50

b. Main street/rural main street program

For salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	409,161
.....	FTEs	3.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state that remain unexpended on June 30, 2002, shall not revert to any fund but shall remain available for expenditure for purposes of the contract during the fiscal year beginning July 1, 2002.

c. Community development program

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions, for rural resource coordination, rural community leadership, rural innovations grant program, and the rural enterprise fund:

.....	\$	853,284
.....	FTEs	7.50

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to provide to Iowa's councils of governments funds for planning and technical assistance to local governments:

.....	\$	150,000
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There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

.....	\$	370,000
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Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state or through transfers from the Iowa community development loan fund or from the rural community 2000 program revolving fund that remain unexpended on June 30, 2002, shall not revert but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 2002.

d. Community development block grant and HOME

For administration and related federal housing and urban development grant administration for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	396,035
.....	FTEs	21.75

4. INTERNATIONAL DIVISION

a. International trade operations

For salaries, support, maintenance, miscellaneous purposes, for support of foreign representation and trade offices, and the agricultural product advisory council, and for not more than the following full-time equivalent positions:

.....	\$	2,190,893
.....	FTEs	14.25

Of the moneys appropriated in this lettered paragraph, \$235,000 shall be allocated to support the taste of Iowa program.

From among the full-time equivalent positions authorized by this lettered paragraph, one position shall concentrate on the export sale of grain, one on the export sale of livestock, and one on the export sale of value-added agricultural products.

b. Export trade assistance program

For export trade activities, including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, by providing for the lease/sublease of showcase space in existing world trade centers, by providing temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, including salaries and support:

..... \$ 308,000

Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain unavailable for expenditure for the purposes designated until the close of the succeeding fiscal year.

c. For the partner state program to contract with private groups or organizations which are the most appropriate to administer this program and the groups and organizations participating in the program shall, to the fullest extent possible, provide the funds to match the appropriation made in this paragraph:

..... \$ 120,000

5. TOURISM DIVISION

Tourism operations and advertising

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 3,470,123
..... FTEs 19.52

The department shall not use the moneys appropriated in this subsection, unless the department develops public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsections 5, 6, and 7, and section 15.287, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2001, and ending June 30, 2002, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 3. JOB TRAINING FUND. Notwithstanding section 15.251, subsection 2, there is appropriated from the job training fund to the department of workforce development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

1. To provide final phase-out funding for existing labor management projects:

..... \$ 30,000

2. After the appropriation in subsection 1 relating to labor management projects, all remaining moneys in the job training fund, including any moneys appropriated or credited to the fund during the fiscal year, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund

created in section 15.343, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, for the purposes of the workforce development fund, and for not more than the following full-time equivalent positions:

.....	\$	4,000,000
.....	FTEs	4.00

Sec. 5. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2001, and ending June 30, 2002, may be used for the administration of workforce development activities including salaries, support, maintenance, and miscellaneous purposes and for not more than 4.00 FTEs.

Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For funding and maintaining in their current locations the existing small business development centers, and for not more than the following full-time equivalent positions:

.....	\$	1,147,192
.....	FTEs	5.80

2. For the Iowa state university of science and technology research park, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	362,155
.....	FTEs	4.31

3. For funding the institute for physical research and technology, provided that \$287,640 shall be allocated to the industrial incentive program, and for not more than the following full-time equivalent positions:

.....	\$	4,205,662
.....	FTEs	46.42

It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative fiscal bureau the total amounts of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 7. UNIVERSITY OF IOWA. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the university of Iowa research park, including salaries, support, maintenance,

equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	320,560
.....	FTEs	2.70

2. For funding the advanced drug development program at the Oakdale research park, and for not more than the following full-time equivalent positions:

.....	\$	259,262
.....	FTEs	3.30

The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by January 15, 2002.

Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the metal casting institute, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	166,249
.....	FTEs	2.50

2. For the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	711,672
.....	FTEs	8.50

Sec. 9. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state, to the department of workforce development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

For the division of labor services, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,290,446
.....	FTEs	92.00

From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

2. DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,235,187
.....	FTEs	35.00

The division of workers' compensation shall continue charging a \$65 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances.

3. WORKFORCE DEVELOPMENT STATE AND REGIONAL BOARDS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for the workforce development state and regional boards:

.....	\$	118,700
.....	FTEs	1.00

4. NEW EMPLOYMENT OPPORTUNITY FUND

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions for the new employment opportunity program established in section 84A.10:

.....	\$	251,270
.....	FTEs	0.30

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 2002, shall not revert to the general fund of the state but shall remain available for expenditure for the same purpose during the fiscal year beginning July 1, 2002.

Sec. 10. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND. Notwithstanding section 96.7, subsection 12, paragraph "c", there is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, any moneys remaining in the administrative contribution surcharge fund on June 30, 2001, and the entire amount collected during the fiscal year beginning July 1, 2001, and ending June 30, 2002, or so much thereof as is necessary, for salaries, support, maintenance, conducting labor market surveys, miscellaneous purposes, and for workforce development regional advisory board member expenses.

Sec. 11. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	471,000
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2. IMMIGRATION SERVICE CENTERS

For salaries, support, maintenance, and miscellaneous purposes for the establishment of pilot immigration service centers:

.....	\$	160,000
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3. LABOR MARKET INFORMATION

For salaries, support, maintenance, miscellaneous purposes for collection of labor market information, and for not more than the following full-time equivalent positions:

.....	\$	67,078
.....	FTEs	1.20

The department of workforce development shall maintain pilot immigration service centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these pilot centers shall seek to provide a seamless service delivery system for new Iowans.

Any additional penalty and interest revenue may be used to accomplish the mission of the department upon notification of the use to the chairpersons and ranking members of the joint appropriations subcommittee on economic development, the department of management, and the legislative fiscal bureau. **However, the department shall not allocate any additional penalty and interest revenue prior to January 30, 2002.**

Sec. 12. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year begin-

* Item veto; see message at end of the Act

ning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	857,489
.....	FTEs	12.80

Sec. 13. TOURISM OPERATIONS. There is appropriated from the community attraction and tourism fund created in section 15F.204 to the department of economic development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For tourism operations, including salaries, support, maintenance, and miscellaneous purposes:

.....	\$	1,200,000
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*Sec. 14. HOUSING AND SHELTER ASSISTANCE. There is appropriated from the Iowa finance authority to the department of economic development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For providing technical assistance to communities of all sizes and local financial institutions to help meet local housing needs and for the shelter assistance fund, and for not more than the following full-time equivalent positions:

.....	\$	500,000
.....	FTEs	2.00*

Sec. 15. Notwithstanding the requirements of section 16.10, subsections 1 and 2, the Iowa finance authority shall, for the fiscal year beginning July 1, 2001, transfer \$1,200,000 to the department of economic development for deposit in the community development block grant account to be used as state matching funds for the federal HOME program.

Sec. 16. 1998 Iowa Acts, chapter 1225, section 27, unnumbered paragraph 6, is amended to read as follows:

Following the complete liquidation and dissolution of the corporation or the sale of the corporation, all remaining moneys shall be transferred to the strategic investment fund. The liquidation, dissolution, or sale of the corporation shall be completed by December 31, 2001. Upon transfer of the remaining moneys to the strategic investment fund, the ISCC liquidation corporation board shall be dissolved.

Sec. 17. 1999 Iowa Acts, chapter 197, section 9, subsection 7, unnumbered paragraph 2, is amended to read as follows:

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 2000, shall not revert to the general fund of the state but shall remain available for expenditure for the same purpose during the fiscal year years beginning July 1, 2000, and July 1, 2001.

Sec. 18. 2000 Iowa Acts, chapter 1230, section 10, subsection 7, is amended to read as follows:

7. NEW EMPLOYMENT OPPORTUNITY FUND

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions for the new employment opportunity program established in section 84A.10:

.....	\$	500,000
.....	FTEs	1.79

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 2001, shall not revert to the general fund but shall remain available for expenditure for the same purpose during the fiscal year beginning July 1, 2001.

* Item veto; see message at end of the Act

Sec. 19. 2000 Iowa Acts, chapter 1230, section 11, unnumbered paragraph 3, is amended to read as follows:

In addition to moneys appropriated by this section, notwithstanding section 96.7, subsection 12, paragraph "c", for the fiscal year beginning July 1, 2000, there is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development \$700,000, or so much thereof as is necessary, for matching funds for welfare-to-work grants authorized through the United States department of labor. Notwithstanding section 8.33, moneys appropriated in this unnumbered paragraph that remain unencumbered or unobligated on June 30, 2001, shall not revert but shall remain available for expenditure for the purposes designated for the fiscal year beginning July 1, 2001.

Sec. 20. 2000 Iowa Acts, chapter 1230, section 12, subsection 2, is amended to read as follows:

2. IMMIGRATION SERVICE CENTERS

For salaries, support, maintenance, and miscellaneous purposes for the establishment of pilot immigration service centers:

..... \$ 160,000

The department of workforce development shall establish pilot immigration service centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these pilot centers shall seek to provide a seamless service delivery system for new Iowans.

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 2001, shall not revert but shall remain available for expenditure for the same purpose during the fiscal year beginning July 1, 2001.

Sec. 21. Section 15.342A, Code 2001, is amended to read as follows:

15.342A WORKFORCE DEVELOPMENT FUND ACCOUNT.

A workforce development fund account is established in the office of the treasurer of state under the control of the department. The account shall receive funds pursuant to section 422.16A up to a maximum of ~~eight~~ four million dollars per year. The account shall also receive funds pursuant to section 15.251 with no dollar limitation.

Sec. 22. Section 15.343, subsection 3, paragraph b, Code 2001, is amended by striking the paragraph and inserting in lieu thereof the following:

b. Moneys in the workforce development fund shall be allocated as follows:

- (1) Three million dollars shall be used for purposes provided in section 260F.6.
- (2) One million dollars shall be used for purposes provided in section 260F.6B.

Sec. 23. Section 90A.12, subsection 1, Code 2001, is amended to read as follows:

1. A person ~~age thirty three years or older~~ shall not participate as a contestant in an organized amateur boxing contest unless each contestant participating in the contest ~~is age thirty three years or older~~ meets the age requirements of USA boxing incorporated, or its successor organization. A birth certificate, or similar document validating the contestant's date of birth, must be submitted at the time of the prefight physical examination in order to determine eligibility.

Sec. 24. Section 260F.6, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding the requirements of this section, moneys in the job training fund may be used by a community college to conduct entrepreneur development and support activities.

Sec. 25. Section 321.52A, subsection 2, Code 2001, is amended to read as follows:

2. For the fiscal year beginning July 1, 1996, the treasurer of state shall deposit one million five hundred thousand dollars of moneys received under subsection 1 in the waste tire management fund created in section 455D.11C, and deposit the remainder in the general fund of the state. For the fiscal year beginning July 1, 1997, the treasurer of state shall deposit two million five hundred thousand dollars of moneys received under subsection 1 in the waste tire management fund, and deposit the remainder in the general fund of the state. For the fiscal year beginning July 1, 1998, and the fiscal year beginning July 1, 1999, the treasurer of state shall deposit three million five hundred thousand dollars of moneys received under subsection 1 in the waste tire management fund, and deposit the remainder in the general fund of the state. For the fiscal year beginning July 1, 2000, the treasurer of state shall deposit two million five hundred thousand dollars of the moneys received under subsection 1 in the waste tire management fund, and one million dollars in the road use tax fund, with the remainder deposited in the general fund of the state. For the fiscal year beginning July 1, 2001, the treasurer of state shall deposit one million five hundred thousand dollars of moneys received under subsection 1 in the waste tire management fund, ~~and three million dollars in the road use tax fund,~~ with the remainder deposited in the general fund of the state. For the fiscal year beginning July 1, 2002, and each subsequent fiscal year, the treasurer of state shall deposit the entire amount of moneys received under subsection 1 in the road use tax fund.

Sec. 26. Section 422.16A, Code 2001, is amended to read as follows:

422.16A JOB TRAINING WITHHOLDING — CERTIFICATION AND TRANSFER.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15.331, the sponsoring community college shall report to the department of economic development the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The department of economic development shall notify the department of revenue and finance of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ~~eight~~ four million dollars.

Sec. 27. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2001, and ending June 30, 2002, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 28. BUDGET PROPOSALS. The department of economic development and the department of workforce development shall submit all budget proposals in the traditional format as well as in the budgeting for results format for the fiscal year beginning July 1, 2002.

Sec. 29. By December 31 of each year, the ISCC liquidation corporation shall submit an annual written report to the chairpersons and the ranking members of the joint appropriations subcommittee on economic development. The report shall include an update on the financial condition of the corporation relating to the status of any moneys, assets, or contracts currently being held by the corporation or transferred by the corporation during the prior year.

Sec. 30. FEDERAL GRANTS. All federal grants to and the federal receipts of agencies appropriated funds under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 31. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year after December 31, 2002.

Sec. 32. In lieu of the appropriation made in section 15.365, subsection 3, there is appropriated for the fiscal year beginning July 1, 2001, and ending June 30, 2002, \$35,000, or so much thereof as is necessary, from the general fund of the state to the department of economic development to pay refunds as provided under section 15.365.

Sec. 33. EFFECTIVE DATE. Sections 17, 18, 19, and 20 of this Act, being deemed of immediate importance, take effect upon enactment.

Approved May 30, 2001, with exceptions noted.

THOMAS J. VILSACK, *Governor*

Dear Mr. Secretary:

I hereby transmit House File 718, an Act appropriating funds to the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board, making statutory changes, and providing effective dates.

I am very disappointed with actions the Legislature took concerning this bill. Funding for marketing Iowa's targeted industry clusters, promoting Iowa as a destination site for tourism, and helping communities develop local leadership, provide diversity training and promote local growth initiatives is reduced. The Legislature also dealt a blow to rural Iowa by failing to fund digital divide issues. The New Economy is driven by information. Advanced telecommunications service is a requirement for all citizens and businesses if they are to be competitive in today's global economy.

The enforcement of safe working conditions for Iowa workers is negatively impacted. Individuals seeking adjudication of contested workers' compensation cases will experience dramatic delays in receiving final decisions due to budget reductions contained in this bill. In addition, Iowans seeking work will now have to travel longer distances to receive job placement assistance due to the Legislature's failure to address funding for rural workforce development offices.

It is therefore with great reluctance that I transmit House File 718 with the following exceptions, which I can not approve.

I am unable to approve the designated portion of Section 11, subsection 3, unnumbered paragraph 3. This prevents the department of workforce development from allocating additional penalty and interest revenues prior to January 30, 2002. In the past, the department has had the flexibility to identify projects or target areas that would receive funding and report these expenditures to the Legislature. I vetoed this language last year because it is unduly prescriptive, usurps normal executive branch functions, and could hamper administration of the funds. This language was not acceptable last year and it is not acceptable this year.

I am unable to approve Sections 14 and 15 in their entirety. These sections would appropriate and allocate Iowa Finance Authority resources to support housing programs operated by the Department of Economic Development. I agree that these housing programs should be funded. However, the direct appropriation of Iowa Finance Authority assets poses a significant financial risk. Moody's Rating Service has indicated that such actions will lead to a bond rating downgrade. A lower bond rating will increase borrowing costs resulting in increased costs for first time home buyers. It is more appropriate for the Authority to leverage their assets to address Iowa's housing needs as recommended by the housing task force.

For the above reasons, I hereby respectfully approve House File 718 with the exceptions noted above.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 189
APPROPRIATIONS — STATE GOVERNMENT
TECHNOLOGY AND OPERATIONS
H.F. 719

AN ACT relating to state government technology and operations, by making and relating to appropriations to the Iowa communications network for the support of certain Part III users, making appropriations to various entities for other technology-related purposes, providing for the procurement of information technology, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. **TREASURER OF STATE.** There is appropriated from the general fund of the state to the treasurer of state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For debt service:
..... \$ 11,405,000¹

Funds appropriated in this section shall be deposited in a separate fund established in the office of the treasurer of state to be used solely for debt service for the Iowa communications network. The Iowa telecommunications and technology commission shall certify to the treasurer of state when a debt service payment is due, and upon receipt of the certification, the treasurer shall make the payment. The commission shall pay any additional amount due from funds deposited in the Iowa communications network fund.

Sec. 2. **IOWA COMMUNICATIONS NETWORK OPERATIONS.**

1. There is appropriated from the general fund of the state to the Iowa telecommunications and technology commission for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated in this subsection:

For operations of the network consistent with chapter 8D and for the following full-time equivalent positions:
..... \$ 2,234,330
..... FTEs 105.00

¹ See chapter 176, §21 – 23 herein